

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

155 NORTH WACKER DRIVE
CHICAGO, ILLINOIS 60606-1720

TEL: (312) 407-0700

FAX: (312) 407-0411

www.skadden.com

DIRECT DIAL
312-407-0830
DIRECT FAX
312-407-8515
EMAIL ADDRESS
WARREN.LAVEY@SKADDEN.COM

FIRM/AFFILIATE OFFICES

BOSTON
HOUSTON
LOS ANGELES
NEW YORK
PALO ALTO
SAN FRANCISCO
WASHINGTON, D.C.
WILMINGTON

BEIJING
BRUSSELS
FRANKFURT
HONG KONG
LONDON
MOSCOW
MUNICH
PARIS
SAO PAULO
SHANGHAI
SINGAPORE
SYDNEY
TOKYO
TORONTO
VIENNA

September 9, 2009

Ms. Marlene H. Dortch
Secretary Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

RE: Ex Parte Notice – A National Broadband Plan for Our Future, GN Docket No. 09-51; Fostering Innovation and Investment in the Wireless Communications Market, GN Docket No. 09-157; Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, WT Docket No. 09-66; Consumer Information and Disclosure, CG Docket No. 09-158; Federal-State Board on Universal Service, CC Docket No. 96-45; High-Cost Universal Service Support, WC Docket No. 05-337; RCA Petition on Handset Exclusivity, RM-11497; Service Rules for the 698-746, 747-762 and 777-792 MHz Bands, WT Docket No. 06-150; Implementing a Nationwide, Broadband, Interoperable Public Safety Network in the 700 MHz Band, PS Docket No. 06-229; Petitions for Waiver to Deploy 700 MHz Public Safety Broadband Networks, PS Docket No. 06-229; Special Access Rates for Price Cap Local Exchange Carriers, WC Docket No. 05-25; Reexamination of Roaming Obligations of CMRS Providers, WT Docket Nos. 05-265 and 00-193

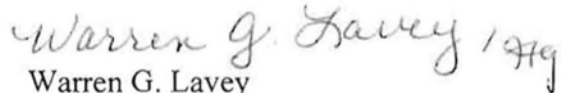
Dear Ms. Dortch:

On September 8, 2009, representatives of United States Cellular Corp. (“USCC”) (Ted Carlson (Chairman of the Board of USCC and CEO of the parent company, Telephone and Data Systems, Inc.); Joseph Hanley (Vice President – Technology Planning and Services, Telephone and Data Systems); Grant Spellmeyer (Director – Legislative and Regulatory Affairs, USCC); David LaFuria (Lukas, Nace,

Ms. Marlene H. Dortch
September 9, 2009
Page 2

Gutierrez & Sachs); George Wheeler (Holland & Knight LLP) and myself) met with the Wireless Telecommunications Bureau (Ruth Milkman (Chief), Jim Schlichting (Senior Deputy Chief), Blaise Scinto, Walt Strack, Paul Malmund, David Hu and Jennifer Tomchin). We discussed the points in the attached presentation.

Sincerely yours,

Handwritten signature of Warren G. Lavey in cursive script.

Warren G. Lavey
Counsel of United States Cellular Corporation

cc: Ruth Milkman
Jim Schlichting
Paul Malmud
Blaise Scinto
Walt Strack
David Hu
Jennifer Tomchin



Expanding Wireless Broadband Services and Increasing Wireless Competition

September 8, 2009



Some Recent Significant US Cellular Achievements

- 6.2 million customers in 5 geographic market areas across 26 states
- Eighth consecutive J.D. Power award for highest call quality in North Central Region
- US Cellular has 3G coverage enabled on about 60% of its cell sites, reaching about 75% of its post-pay customers. Broadband coverage to many unserved and underserved areas. Examples:
 - West Virginia – Senator Jay Rockefeller: “...this move by US Cellular is an important and long-term investment for wireless customers that should absolutely be applauded.”
 - Maine – Senator Olympia Snowe: “US Cellular’s investment in Maine will help ensure that our state has access to the advanced wireless services that drive economic growth.”
 - Illinois – Macoupin County Board Chairman: “With their recent addition to towers in the area and new 3G speeds, new doors have been opened in our community to use this technology in exciting ways.”
- With USF support, deployed cell towers to areas that lacked quality wireless service. Examples of new towers for unserved areas in 2009: Missouri (Rover, Sunnyview, Wyaconda, Chestnut Ridge, Dove Mountain, Cassville); Nebraska (Grant, Pierce West, Snyder, Spalding, Chambers, Plesanton, Franklin, Eustis, Leigh, Burr Crab Orchard); Oregon (Bonanza, Malin, Hillcrest, Spray, Kings Spring); Iowa (Leando, Whittmore, Union, Green Bay, Akron, Ocheyedon).
- Partner in successful bidder for 152 A and B Block 700 MHz licenses.

Key Issues

1. ARRA grants and USF for commercial broadband wireless services
2. Ending handset exclusivity
3. Shared commercial use of the 700 MHz PSBL and D Blocks through public/private partnerships
4. Reducing special access charges
5. Automatic roaming for data services
6. NOIs on the wireless marketplace

Broadband Deployment Enablers

US Cellular is committed to accelerating broadband deployment

- ARRA: Applied for ARRA grants at RUS to provide EVDO via existing wireless networks in Missouri, Nebraska, Kansas and northern California covering nearly 2 million households for less than \$23 million in grant funding – an extremely cost-effective, shovel-ready project!
 - Wireless broadband provides benefits of mobility that must be a priority as RUS, NTIA and the FCC determine the appropriate allocation of ARRA funding.
- USF: The FCC should ensure that wireless carriers can invest USF support to deploy and operate broadband in unserved and underserved areas. USF reform must be competitively and technology neutral.
- Other: Handset exclusivity, lack of data roaming and high special access rates impede deployment and uses of broadband services.



Ending Handset Exclusivity

- US Cellular testified on the harms to competition and especially rural consumers before Senate Commerce Committee (6/17/09)
- RCA Petition raises critical consumer protection issues
 - Exclusivity limits consumer choice and harms carriers' ability to construct broadband networks in rural areas.
 - Rural consumers often prohibited from buying advanced handsets – or suffer inferior network quality on an exclusive handset carrier even though a superior network compatible with a handset is available.
 - Internal churn statistics show significant anti-competitive effects.
 - Handset exclusivity denies important applications to many consumers.
 - Exclusivity typically expires long after handset is obsolete, preventing competitors from accessing “cutting edge” handsets.



Ending Handset Exclusivity

FCC should issue notice of proposed rulemaking

- Only top 4 carriers opposed RCA Petition – considerable support by public interest groups including Consumers Union, Consumer Federation of America, Free Press, Media Access Project, New America Foundation, PISC and NASUCA.*
- Verizon Wireless' "commitment" does not go far enough
 - Should cover all regional carriers without exclusivity period.
 - All carriers must drop exclusives
 - Statement of former FCC Chief Economist William Rogerson
- Delay is decreasing competition and impairing regional carriers' broadband deployments.

* PISC is Public Interest Spectrum Coalition; NASUCA is National Association of State Utility Consumer Advocates

Shared Commercial Use of the 700 MHz PSBL and D Blocks through Public/Private Partnerships

- Two policy goals compel prompt action
 - Provide public safety entities with nationwide, interoperable broadband wireless services.
 - Expand competitive broadband wireless services for consumers nationwide.
- Proposals made by US Cellular and others have many solid features
 - Public/private partnership will fund the network and effectively use spectrum.
 - Shared capacity addresses needs of public safety and commercial users.
 - With clear technical requirements and regional licenses, the D Block licenses will attract bidders. If there are areas without commercial bidders, licenses can be granted on a zero-bid, best efforts basis to the PSBL.
 - Coordination by PSBL and national committee of area licensees will achieve nationwide interoperability.
 - LTE
 - Coverage and hardening above commercial levels, but still viable.
 - Discounted but commercially reasonable rates for public safety users.



FCC Should Develop an Approach Within the Current Statutory Framework

- FCC should not wait for legislation, but should instead take a “parallel path” approach
 - Depending on the details, USCC is not opposed to legislative solutions, but passage is uncertain and delays are likely
 - Path forward is available within existing FCC authority that will put spectrum in service sooner, permit early builds, and facilitate nationwide public safety broadband network
 - If legislation changes the framework, rules can readily adapt. If that doesn't happen, FCC will be ready to move forward with an auction rather than losing months or years waiting.
- Commercial uses of PSBL and D Block spectrum, within the public/private partnership framework, would serve the public interest and must be preserved
 - Shared use will fund the network and support nationwide public safety services
 - Spectrum – the lifeblood of wireless broadband competition – has become highly concentrated; more commercial capacity is needed to support competition

FCC Should Develop an Approach Within the Current Statutory Framework

- Re-auction of D Block can be successful
 - Auction with second stage and zero, best efforts bids by PSBL to promote nationwide coverage
- Limited waivers for qualified test-bed builds within framework for nationwide services
 - Waivers should not undermine policy of widespread coverage
 - After licensing D Block, early builders could continue operations in PSBL spectrum or combine with applicable D Block licensee

Reducing Special Access Charges

US Cellular supports efforts to address special access pricing

- Special access is a significant cost driver for regional wireless carriers – critical to broadband deployment.
- Market for special access is not competitive. AT&T and Verizon control 80%+ of special access services.
 - Current inflated pricing harms consumers by holding wireless service prices artificially high and by depressing deployment of wireless broadband service.
 - 5 year DS1 prices are often 10 times higher than corresponding retail rates charged to end users for equivalent services.
- Prompt FCC action to address this issue is needed.

Automatic Roaming for Data Services

- US Cellular supports the FCC's August 2007 decision to require wireless carriers to offer automatic roaming to technologically compatible carriers on reasonable terms and conditions.
 - Consumers expect every function in their devices to work everywhere they can access a compatible network. Significant safety and economic benefits flow through robust roaming services.
 - The FCC erred in creating an "in market" exception to the automatic roaming rule. Holding an authorization, usually not yet constructed, for an overlapping service area (such as an MEA, REAG or EA) should not be a barrier, at least for a reasonable period of years, to a wireless carrier being able to obtain roaming.
- Automatic roaming must be expanded to include data, now about 25% or more of wireless revenues. Without data roaming, competitive playing field tilted in favor of national carriers.
- Despite complexity, carriers can do it and consumers deserve it.

NOIs on the Wireless Marketplace

- Regional wireless carriers play key roles in wireless competition, service innovations and infrastructure investments, especially in rural areas
 - USF support needed for high-quality rural voice and broadband wireless services
- Spectrum – the lifeblood for wireless broadband competition – has become highly concentrated
 - 700 MHz auction dominated by Verizon Wireless and AT&T
 - Regional carriers need more spectrum for efficient, widespread LTE deployments
 - D Block opportunity to expand spectrum available to regional carriers through shared commercial/public safety uses
 - Need pro-competitive spectrum screen and license caps for auctions
- Handset exclusivity, high special access rates and limitations on data roaming are impeding competition
 - Consumers should be able to choose a carrier based on service quality and price, and get access to advanced handsets on their chosen carrier
 - Data roaming critical in Internet-dependent world